



**FUBA**  
FLORIDA UNITED BUSINESSES ASSOCIATION

# ISSUES

OUR BUSINESS IS SMALL BUSINESS

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## **PPP LOAN FORGIVENESS UPDATE**

***\*Note: As this newsletter went to press, Congress was debating a bill that would simplify the PPP loan forgiveness process. If this bill becomes law, all PPP loans under \$150,000 would be automatically forgiven. You may want to wait to see what happens with this legislation before you apply for loan forgiveness.***

If your business received a loan from the Paycheck Protection Program (PPP), you can apply to have your loan forgiven (which means you don't have to pay it back) if you spend the loan on approved expenses.

To be eligible for loan forgiveness, you must spend at least 60% of the loan amount on payroll for employees (salary/wages, health insurance, retirement, paid leave, and state unemployment taxes) and no more than 40% of the loan on rent, utilities (including phone and internet bills), and mortgage interest.

To apply for loan forgiveness, you will need to file an application with the bank that issued the loan to you. If your business had to reduce the number of its employees or their wages by 25% or more during the pandemic, you will use Form 3508. Form 3508 is available from the US Small Business Administration at:

**[sba.gov/document/sba-form-paycheck-protection-program-loan-forgiveness-application](https://www.sba.gov/document/sba-form-paycheck-protection-program-loan-forgiveness-application).**

Detailed instructions for Form 3508 are available at: **[sba.gov/document/sba-form-paycheck-protection-program-loan-forgiveness-application-instructions-borrowers](https://www.sba.gov/document/sba-form-paycheck-protection-program-loan-forgiveness-application-instructions-borrowers)**.

If your business did not reduce the number of its employees or their wages, you can use Form 3508EZ, which is a simpler, more streamlined form. The simplified Form 3508EZ is available here: **[sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application](https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application)**.

Businesses now have an expanded 24-week period to use the proceeds of their PPP loan. If you are considering applying for forgiveness at the 8-week mark but have not spent all your loan, you may want to take advantage of the 24-week period to include additional expenses.

Your bank has 60 days to review your application and decide if the loan will be forgiven. Any amount of your PPP loan that is not forgiven will be converted to a traditional loan with a 1% interest rate.

The amount of your PPP loan forgiveness can be reduced if you have fewer employees or lower employee salaries after receiving your loan than you did before the pandemic.

Businesses will not be penalized if they make a written offer to rehire a laid-off employee who refuses to return to work. If you try to re-hire a furloughed employee and they refuse to come back to work, this will not count against you as

long as you document your rehire offer in writing (email is fine) and document the employee's response so you can prove that you tried to rehire them but they refused your offer.

Employees who were fired for cause, voluntarily resigned, or who voluntarily requested a reduction in their hours also do not count against you for loan forgiveness. Again, make sure to make to document these decisions in writing (email is fine).

Also, if you cannot go back to your pre-pandemic staffing levels because your business is complying with worker or customer social distancing measures, your loan forgiveness will not be penalized.

If you have any questions about PPP loan forgiveness, you can ask the FUBA experts by calling our offices at 800-262-4483 or by emailing us at [fuba@fuba.org](mailto:fuba@fuba.org). More information, including all the forms mentioned in this article, is available from FUBA's coronavirus resources page for small businesses at [fuba.org/coronavirus-resources](http://fuba.org/coronavirus-resources).

## **BACK-TO-SCHOOL TAX HOLIDAY AUGUST 7<sup>TH</sup> – 9<sup>TH</sup>**

From Friday August 7<sup>th</sup> through Sunday August 9<sup>th</sup>, state sales tax will not be charged on the purchase of school supplies costing \$15 or less; clothing, shoes, and some accessories costing \$60 or less; and the first \$1,000 of the price of personal computers and computer-related accessories.

Retailers are not required to keep additional or special records for the tax-free days. Sales of eligible items that are sold tax-free from August 7<sup>th</sup> through August 9<sup>th</sup> should be reported as exempt sales on your sales tax return.

Businesses that sell only a small number of items covered by the sales tax holiday may opt out of participating in the tax holiday if they

post a notice and inform the Department of Revenue.

More information and a list of qualifying items are available at [floridarevenue.com/backtoschool](http://floridarevenue.com/backtoschool).

## **CONSTRUCTION LICENSING UPDATE**

Effective July 1, 2020, contractors who have an active or recently active out-of-state license that they have held for 10 years or more may now apply for the same license in Florida. Division I and roofing endorsement/reciprocity applicants must complete a 2-hour course on the Florida Building Code which includes information on wind mitigation techniques. Contractors should make sure they apply for a license at the same level they currently hold out-of-state and include documentation showing what scope of work is allowed with their current license. For more information, please contact the Florida Construction Industry Licensing Board at 850-487-1395.

## **IS YOUR WORKERS' COMP INSURANCE WITH FUBA? IT SHOULD BE.**

One of the most popular membership benefits FUBA offers is quality workers' compensation insurance for qualifying members of the Association.

Our insurance partner, Lancer Indemnity Company, is rated A- "Excellent" by A.M. Best. If you are a contractor, sometimes the people you work for require you to have your insurance with a company that has a good rating with A.M. Best.

Are you taking advantage of the Association's workers' comp insurance program? The easiest way to find out is to look at your workers' comp policy. Make sure it lists Lancer Indemnity Company as your insurance company. If not, call your local insurance agent to ask about FUBA's insurance program.